



4004

ANNUAL REPORT

OF

Name: CENTRAL STATE TELEPHONE COMPANY

Principal Office: 301 S WESTFIELD RD
P.O. BOX 5158
MADISON, WI 53705-0158

For the Year Ended: DECEMBER 31, 1998

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 267-9504

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used, however please show the exact name of the respondent in full on the "Identification and Ownership" page.
3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
5. Please report all dollar amounts to the nearest whole dollar.
6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the notes to the income statement or the balance sheet, which describes the nature and extent of work performed.
9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
Analog Signal	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
Cellular System	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
Central Office	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
Centrex	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
Channel	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
Customer	A person who uses a telephone as a subscriber.
Digital Signal	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
Equal Access	The ability of the subscriber to use any long distance service by dialing the same number of digits.
Exchange	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
Extended Area Service (EAS)	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
Extended Community Calling (ECC)	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
Feature Group A	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
Feature Group C	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
Feature Group D	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
FX-IN	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
FX-OUT	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
Host Switching System	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
Local Access Transport Area (LATA)	A geographic area within which an operating company may offer its telecommunications services.
Mobile Telephone	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
Paging	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
Pair	Two wires of a single circuit.
Pay Station	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
Private Line Service	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
Private Branch Exchange (PBX)	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
Radio Common Carrier (RCC)	A company which furnishes public telecommunications service using one or more radio channels.
Remote Switching Unit (RSU)	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none">1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.2. One mile of a cross country route with any combination of outside plant facilities.3. One mile of point-to-point microwave or radio link.4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.5. One mile of joint use line where the utility either owns the facility or leases space.
Stand Alone Switch	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
Trunk	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
Wide Area Telephone Service (WATS)	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
Wire Center	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

ABBREVIATIONS USED IN ANNUAL REPORTS

Acct	.....	Account
Accum	.....	Accumulated
Acq	.....	Acquisition
Admin	.....	Administrative
Alloc	.....	Allocation
Amort	.....	Amortization
 CO	.....	Central Office
 Depr	.....	Depreciation
 Equip	.....	Equipment
Exp	.....	Expenses
EOY	.....	End of Year
 FOY	.....	First of Year
 Info	.....	Information
ITC	.....	Investment Tax Credit
 Misc	.....	Miscellaneous
 Nonoper	.....	Nonoperating
Nonreg	.....	Nonregulated
 Oper	.....	Operating
Opns	.....	Operations
Orig	.....	Originating
 Prop	.....	Property
 Receiv	.....	Receivable
Reg	.....	Regulated
Rev	.....	Revenues
 Svcs	.....	Services
 Telecom	.....	Telecommunications
Term	.....	Terminating
TPIS	.....	Telecommunications Plant in Service
TPUC	.....	Telecommunications Plant Under Construction
 Uncoll	.....	Uncollectible

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: CENTRAL STATE TELEPHONE COMPANY
Utility Location: 301 S WESTFIELD RD
P.O. BOX 5158
MADISON, WI 53705-0158

Utility Web Site Address:

When was utility organized?: 01/24/1908

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: JOHN R. ERPENBACH
Title: ACCOUNTING MANAGER

Office Address: 301 SOUTH WESTFIELD ROAD
P.O. BOX 5158
MADISON, WI 53705-0158

Fax Number: (608) 664 - 4519
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Individual or firm, if other than utility employee, preparing this report

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Person responsible for financial information contained in report

Name: JOHN R. ERPENBACH
Title: ACCOUNTING MANAGER

Office Address: 301 SOUTH WESTFIELD ROAD
P.O. BOX 5158
MADISON, WI 53705-0158

Fax Number: (608) 664 - 4519
Telephone Number: (608) 664 - 4289
Email Address: john.erpenbach@tdstelecom.com

Person responsible for statistical information contained in report

Name: VARIOUS CONTACTS X
Title: X

L

Office Address: 301 SOUTH WESTFIELD ROAD
MADISON, WI 53717-1707

Fax Number: (608) 999 - 9999
Telephone Number: (608) 999 - 9999
Email Address:

IDENTIFICATION AND OWNERSHIP

List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name: TDS TELECOMMUNICATIONS CORPORATION
Address: 301 SOUTH WESTFIELD ROAD
MADISON, WI 53717-1707

Number of Shares Held: 4,813
Beneficial Owner: NONE

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	8,338,160	7,766,196	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	664,957	750,558	2
Plant Nonspecific Operations Expense	2,433,309	2,171,956	3
Customer Operations Expense (6610-6620)	1,193,808	1,125,287	4
Corporate Operations Expense (6710-6790)	1,195,094	1,023,215	5
Other Operating Income and Expense (7100)	16,723	2,184	6
Operating Taxes (7200)	1,348,871	1,255,342	7
Total Operating Expenses	6,819,316	6,324,174	8
Net Operating Income	1,518,844	1,442,022	9
Other Income			
Nonoperating Income and Expense (7300)	54,028	21,855	10
Nonoperating Taxes (7400)	16,940	6,726	11
Interest and Related Items (7500)	279,571	262,438	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	54,470	57,148	14
Total Nonoperating Income	(188,013)	(190,161)	15
Net Income	1,330,831	1,251,861	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

-
1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

TELEPHONE PLANT

Telephone plant is stated as the original cost of construction including capitalized costs such as taxes, pensions, and other fringe benefits, and an allowance for funds used during construction (AFUDC).

DEPRECIATION

The company provides depreciation for financial reporting purposes using the straight-line method. Renewals and betterments of units of property are charged to telephone plant in service. The original cost of depreciable property retired, together with removal cost less any salvage realized, is charged to accumulated depreciation. Repairs and renewals of minor items of property are charged to maintenance expense. No gain or loss is recognized in connection with ordinary retirements of depreciable property.

REVENUES

Operating and nonoperating revenues are recognized when earned regardless of the period in which they are billed.

Compensation for all intrastate service is received through tariffed access charges billed to the long distance carrier and retained by the company.

Compensation for interstate access services is received through tariffed access charges filed by the National Exchange Carrier Association (NECA) with the Federal Communications Commission (FCC) on behalf of the member companies. These access charges are billed by the company to the interstate long distance carrier, and pooled with like revenues from all NECA member companies.

PENSION

The company is a member of the Telephone and Data Systems, Inc. Employees' Pension Trust I. This qualified, noncontributory defined contribution pension plan covers substantially all company employees. Under this plan, pension benefits and costs are funded currently.

INCOME TAXES

The company is included in the TDS consolidated federal income tax return. For financial reporting purposes, the company computes its federal income tax by applying the statutory rate to all its taxable income.

The company uses the full-normalization method for all timing differences with the resulting book-tax differences being provisioned through the deferred tax accounts. Deferred income taxes resulting from accelerated depreciation used for income tax purposes had previously been provided through the depreciation accounts. Such deferred taxes are credited to income as the related timing differences reverse. Investment tax credits

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

income as the related timing differences reverse. Investment tax credits resulting from investments in qualifying telephone plant and equipment have been deferred and are being amortized to income over the service lives of the related property.

2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

None.

3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

The company is restricted from transferring funds to the parent or other affiliates in the form of cash dividends until certain financial requirements of its mortgage indentures have been met. At December 31, 1998, the company has invested \$0 with Telecommunications Technologies Fund, Inc., and could distribute up to \$5,763,058 to the parent or other affiliates in the form of cash dividends.

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*			1
Cash (1130)	494,810	415,453	2
Special Cash Deposits (1140)	0	0	3
Working Cash Advances (1150)	600	600	4
Temporary Investments (1160)	0	0	5
TOTAL CASH AND EQUIVALENTS	495,410	416,053	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	850,463	824,563	6
Accounts Receivable Allowance-Telecom (1181)*	0	0	7
Net: Telecommunications Accounts Receivable	850,463	824,563	
Other Accounts Receivable (1190)*	1,193,866	971,005	8
Accounts Receivable Allowance--Other (1191)*	0	0	9
Net: Other Accounts Receivable	1,193,866	971,005	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	1,171	1,309	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	2,045,500	1,796,877	
SUPPLIES			
Inventories (1220)*	41,138	51,973	13
TOTAL SUPPLIES	41,138	51,973	
PREPAYMENTS			
Total Prepayments (1280)*			14
Prepaid Rents (1290)	0	0	15
Prepaid Taxes (1300)	7,680	7,520	16
Prepaid Insurance (1310)	0	0	17
Prepaid Directory Expenses (1320)	9,660	8,736	18
Other Prepayments (1330)	34,193	25,308	19
TOTAL PREPAYMENTS	51,533	41,564	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	1,372	1,372	20
TOTAL OTHER CURRENT ASSETS	1,372	1,372	
TOTAL CURRENT ASSETS	2,634,953	2,307,839	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
Investments in Nonaffiliated Companies (1402)*	208,500	208,500	22
Nonregulated Investments (1406)*	46,203	34,638	23
Unamortized Debt Issuance Expense (1407)*	969	1,066	24
Sinking Funds (1408)*	0	0	25

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*	0	0	26
TOTAL INVESTMENTS	255,672	244,204	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	517	621	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	2,000	3,697	29
TOTAL DEFERRED CHARGES	2,517	4,318	
TOTAL NONCURRENT ASSETS	258,189	248,522	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	30,343,930	27,198,758	30
Less: Accumulated Depreciation (3100)*	13,715,303	13,777,310	31
Less: Accumulated Amortization--Capitalized Leases (3410)*	0	0	32
Less: Accumulated Amortization--Leasehold Improvements (3420)*	0	0	33
Less: Accumulated Amortization--Intangible (3500)*	0	0	34
NET TELECOMMUNICATIONS PLANT IN SERVICE	16,628,627	13,421,448	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*	0	0	35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	0	0	36
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*	0	0	37
Less: Accumulated Depreciation--Nonoperating (3300)*	0	0	38
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	305,647	918,144	39
TOTAL TPUC	305,647	918,144	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*	0	0	40
Less: Accumulated Amortization--Other (3600)*	0	0	41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	16,934,274	14,339,592	
TOTAL ASSETS AND OTHER DEBITS*	19,827,416	16,895,953	

BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	2,431,840	1,257,540	1
Notes Payable (4020)*	1,450,000	600,000	2
Advance Billing and Payments (4030)*	213,900	211,086	3
Customer Deposits (4040)*	1,250	1,600	4
Current Maturities--Long-Term Debt (4050)*	167,797	166,100	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	0	94,940	7
Other Taxes--Accrued (4080)*	47,996	59,437	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*	0	0	10
Other Accrued Liabilities (4120)*	61,149	70,810	11
Other Current Liabilities (4130)*	220,237	371,395	12
TOTAL CURRENT LIABILITIES*	4,594,169	2,832,908	
LONG-TERM DEBT			
Funded Debt (4210)*	2,468,028	2,635,679	13
Premium on Long-Term Debt (4220)*	0	0	14
Discount on Long-Term Debt (4230)*	0	0	15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*	0	0	17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
TOTAL LONG-TERM DEBT*	2,468,028	2,635,679	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	273,440	402,212	20
Unamortized Operating ITC--Net (4320)*	0	0	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	1,100,472	964,584	23
Net Deferred Tax Liability Adjustments (4341)*	(33,800)	(40,587)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	0	0	25
Other Deferred Credits (4360)*	0	0	26
Deferred Tax Regulatory Liability (4361)*	34,317	41,208	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	1,374,429	1,367,417	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	481,300	481,300	28
Additional Paid-in Capital (4520)*	9,360	9,360	29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	0	0	31
Retained Earnings (4550)*	10,900,120	9,569,291	32
TOTAL STOCKHOLDERS' EQUITY*	11,390,780	10,059,951	
TOTAL LIABILITIES AND OTHER CREDITS*	19,827,406	16,895,955	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	1,330,830	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	1,905,665	2
Interest during construction	(40,339)	3
Changes in assets and liabilities:		
Current assets (net)	(247,757)	4
Other noncurrent assets	1,704	5
Other current liabilities	909,564	6
Other liabilities and deferred credits	7,012	7
Other (specify):		
TOTAL ADJUSTMENTS	2,535,849	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	3,866,679	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(4,460,008)	8
Investments in affiliated companies	0	9
Nonoperating Investments	(11,565)	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	(4,471,573)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(165,760)	12
Net changes in stockholder equity other than retained earnings	0	13
Change in short term borrowing (net)	850,000	14
Dividends paid	0	15
Miscellaneous debits/credits to retained earnings	0	16
Other (specify):		
Net Cash Provided by Financing Activities	684,240	
NET INCREASE IN CASH AND CASH EQUIVALENTS	79,346	
Cash and cash equivalents at beginning of year (Accts. 1130-1160 for Class A; 1120 for Class B)		
Cash and cash equivalents at end of year (Accts. 1130-1160 for Class A; 1120 for Class B)		

IMPORTANT CHANGES DURING THE YEAR

-
1. Give the name and address of all companies which during the year came under the direct control of the respondent otherwise than through title to securities, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

None .

2. Give the name and address of all companies which during the year came under the indirect control of the respondent through non-reporting intermediaries, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, the name and address of the intermediary through which the indirect control exists, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

None .

3. Important leaseholds acquired, given, assigned or surrendered, giving effective dates, lengths of terms, names of parties, rents, and other conditions.

None .

4. List extension of system (other than additions supplementing existing facilities of the respondent) whether by purchase, construction, donation, or otherwise, such as a substantially complete telephone system, exchange or toll line. Give the location, new territory covered, and dates of beginning operation, and in case of purchase give also the name and address of the company from which purchased, date of acquisition, the consideration given, and reference to Commission authorization.

None .

5. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.

None .

6. Obligation incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, excluding ordinary commercial paper maturing on demand or not later than one year after date of issue.

None .

7. Changes in articles of incorporation or amendments to charter.

None .

8. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

The company has adopted the American Institute of Certified Public Accountants, Accounting Standards Executive Committee, Statement of Position 98-1, Accounting for the Costs of Computer Software Developed or Obtained for Internal Use in 1998.

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
BadgerTelecom, Inc.	BADGER	1
Black Earth Telephone Company	BLACK	2
Chatham Telephone Company	CHATHAM	3
EastCoast Telecom, Inc.	EASTCOAST	4
Grantland Telecom, Inc.	GRANTLAND	5
Midway Telephone Company	MIDWAY	6
Mt. Vernon	MT VERNON	7
Oklahoma Communications Systems, Inc.	OCSI	8
Other	OTH	9
Riverside Telecom, Inc.	RIVERSIDE	10
Scandanavia Telephone Company	SCAND	11
Stockbridge & Sherwood Telephone Company	STOCK	12
Suttle Press, Inc.	SUTTLE	13
TDS Telecommunications Corporation	TDS	14
Telephone and Data Systems, Inc	TDS CORP	15
TDS NET	TDS NET	16
TDS Telecom, Inc.	TDS TEL	17
TDS Computing Services, Inc.	TDS/CS	18
Tenney Telephone Company	TENNEY	19
Telecommunications Technologies Fund	TTF	20

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing and categorize billings according to the account categories shown below.

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	0005-TI-000124	0005-TI-000124	0005-TI-000124	0005-TI-000124	
Name of Affiliate	BADGER	OTH	OTH	SUTTLE	1
Designate whether billed to or from:	FROM	FROM	TO	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C	C	M	3
Revenues					4
Expenses:					
Plant Specific Operations Expense					5
Plant Nonspecific Operations Expense					6
Customer Operations Expense					7
Corporate Operations Expense					8
Total Operating Expenses	0	0	0	0	9
Other:					
Plant Accounts					10
Accumulated Depreciation					11
Accumulated Amortization					12
Clearing					13
All Other	41,557	10,569	4,429	2,410	14
Total	41,557	10,569	4,429	2,410	15
Percent of affiliate's business billed to all affiliated regulated utilities				58.00	16
If cost based, rate of return on equity or markup incorporated in billings	0.00	0.00			17
Footnotes					

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing and categorize billings according to the account categories shown below.

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	0005-TI-000124	0005-TI-000124	0005-TI-000124		
Name of Affiliate	TDS CORP	TDS/CS	TDS-TEL		1
Designate whether billed to or from:	FROM	FROM	FROM		2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C	C		3
Revenues					4
Expenses:					
Plant Specific Operations Expense					5
Plant Nonspecific Operations Expense					6
Customer Operations Expense					7
Corporate Operations Expense					8
Total Operating Expenses	0	0	0	0	9
Other:					
Plant Accounts					10
Accumulated Depreciation					11
Accumulated Amortization					12
Clearing					13
All Other	177,382	353,614	1,974,807		14
Total	177,382	353,614	1,974,807	0	15
Percent of affiliate's business billed to all affiliated regulated utilities					16
If cost based, rate of return on equity or markup incorporated in billings	0.00	15.00	0.00		17
Footnotes					

AFFILIATED ASSETS AND LIABILITIES

This schedule should be used to report affiliated activity concerning balances at the end of the year for the following accounts: 1120, Cash and Equivalents; 1160, Temporary Investments; 1180, Telecommunications Accounts Receivable; 1190, Other Accounts Receivable; 1210, Interest and Dividends Receivable; 1401, Investment in Affiliated Companies; 4010, Accounts Payable; and 4260, Advances from Affiliated Companies. Amounts at the end of the year for each affiliate should be identified by respective affiliate and account number. Report information below consecutively by respective account number; affiliated amounts of less than \$5,000 may be reported in aggregate as "other" for a particular account. Affiliated amounts recorded in accounts 1200, Notes Receivable, 1408, Sinking Funds, and 4020, Notes Payable, should not be reported in this schedule, but rather in the respective schedules contained elsewhere in this report.

Name of Affiliate (a)	Account Number (b)	Balance EOY (c)	
BadgerTelecom, Inc.	1190	87	1
TDS Telecom, Inc.	1190	361,256	2
BadgerTelecom, Inc.	4010	10,282	3
Mt. Vernon	4010	1,001	4
Telephone and Data Systems, Inc	4010	1,907	5
TDS Telecom, Inc.	4010	381,048	6
Telecommunications Technologies Fund	4010	9,109	7

ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS

This schedule should be used to report accounts receivable net write off activity.

Particulars (a)	Amount (b)	
Collection of amounts previously written off	0	1
Uncollectibles written off during the year	0	2
Net write offs during the year	0	

NOTES RECEIVABLE (ACCT. 1200) AND ALLOWANCES (ACCT. 1201)

For affiliates, list by issue or note by affiliate. Other, list by issue or note by entity. Separately identify economic development loans and associated particulars.

Name of Maker and purpose (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Amount EOY (e)	Allowance Acct. 1201 (f)
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NONE

Total				<u><u>0</u></u>	<u><u>0</u></u>	1
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INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)

Name (a)	Balance EOY (b)	
RTB Class B Stock	206,500	1
Other:		
RTB Class C Stock	2,000	2
Total Investments in Nonaffiliated Companies	208,500	

NONREGULATED INVESTMENTS (ACCT. 1406)

Report below the name and end-of-year balance of total net investment and inventory (accts. 1406.10, 1406.11 and 1406.12) for each nonregulated activity. Telephone utilities not subject to dual jurisdiction should report materials and supplies held for resale in account 1406.

Name (a)	Balance EOY (b)	
Total Net Investment and Inventory (Accts. 1406.10, 1406.11, and 1406.12):		
Direct Broadcast Satellite	29,914	1
Leased Phones and Business Systems	16,289	2 J

DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)

List items individually by Commission approval noting the date of approval.

Description of Item (a)	Balance EOY (b)
NONE	
Total	0

1

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	22,499	0	1
Motor Vehicles	2112	324,757	53,071	2
Aircraft	2113	0	0	3 I
Special Purpose Vehicles	2114	0	0	4
Garage Work Equipment	2115	0	0	5
Other Work Equipment	2116	405,291	0	6 D
Buildings	2121	384,568	0	7
Furniture	2122	17,833	0	8 D
Office Equipment	2123	46,610	0	9 D
General Purpose Computers	2124	1,073,744	241,577	10
TOTAL--GENERAL SUPPORT ASSETS:		2,275,302	294,648	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0	0	11
Digital Electronic Switching	2212	4,062,135	2,495,513	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0	0	14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	4,587,165	1,360,157	16
TOTAL--CENTRAL OFFICE ASSETS:		8,649,300	3,855,670	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0	0	17
Customer Premises Wiring	2321	0	0	18
Large Private Branch Exchanges	2341	0	0	19
Public Telephone Terminal Equipment	2351	85,624	0	20
Other Terminal Equipment	2362	0	0	21
TOTAL--INFORMATION ORIG/TERM ASSETS:		85,624	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	47,000	0	22
Aerial Cable	2421	422,474	3,162	23
Underground Cable	2422	229,117	13,552	24
Buried Cable	2423	15,350,658	1,187,322	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0	0	27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	100,674	(1,624)	29
Conduit Systems	2441	38,609	16,885	30
TOTAL--CABLE WIRE FACILITIES ASSETS:		16,188,532	1,219,297	
AMORTIZABLE ASSETS				
Capital Leases	2681	0	0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111	0	0	22,499	1
2112	44,623	0	333,205	2
2113	0	45,077	45,077	3 I
2114	0	0	0	4
2115	0	0	0	5
2116	60,498	(38,877)	305,916	6 D
2121	0	0	384,568	7
2122	0	(5,918)	11,915	8 D
2123	2,841	(11,550)	32,219	9 D
2124	0	0	1,315,321	10
	107,962	(11,268)	2,450,720	
2211	0	0	0	11
2212	1,673,240	0	4,884,408	12
2215	0	0	0	13
2220	0	0	0	14
2231	0	0	0	15
2232	1,501	0	5,945,821	16
	1,674,741	0	10,830,229	
2311	0	0	0	17
2321	0	0	0	18
2341	0	0	0	19
2351	85,624	0	0	20
2362	0	0	0	21
	85,624	0	0	
2411	0	0	47,000	22
2421	18,394	0	407,242	23
2422	0	(192,422)	50,247	24
2423	134,032	0	16,403,948	25
2424	0	0	0	26
2425	0	0	0	27
2426	0	0	0	28
2431	0	0	99,050	29
2441	0	0	55,494	30
	152,426	(192,422)	17,062,981	
2681	0	0	0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
AMORTIZABLE ASSETS				
Leasehold Improvements	2682	0	0	32
Intangibles	2690	0	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0	
TOTAL TELECOM. PLANT IN SERVICE	2001	27,198,758	5,369,615	
Less: Allocation to Nonregulated Activity - EOY	2001			34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001			

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682	0	0	0	32
2690	0	0	0	33
	0	0	0	
	2,020,753	(203,690)	30,343,930	
2001			0	34
			30,343,930	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	16,797	0	1 A
Company Communications Equipment	2123.2	29,813	0	2 A
Software	2212.1	166,239	154,990	3
Digital Switching - Central Office	2212.2	3,048,171	608,976	4
Digital Switching - Remote	2212.3	847,725	1,731,547	5
Step by Step Switching	2215.1	0	0	6
Crossbar Switching	2215.2	0	0	7
Satellite and Earth Station Facilities	2231.1	0	0	8
Other Radio Facilities	2231.2	0	0	9
Digital Circuit Equipment	2232.1	3,088,532	721,644	10
Analog Circuit Equipment	2232.2	0	0	11
Light Wave Circuit Equipment	2232.3	1,498,633	638,513	12
Aerial Cable - Nonmetallic	2421.1	32,287	0	13
Aerial Cable - Metallic	2421.2	390,187	3,162	14
Underground Cable - Nonmetallic	2422.1	216,863	0	15 A
Underground Cable - Metallic	2422.2	12,254	13,552	16
Buried Cable - Nonmetallic	2423.1	2,416,050	163,199	17
Buried Cable - Metallic	2423.2	12,934,608	1,024,123	18
Submarine Cable - Nonmetallic	2424.1	0	0	19
Submarine Cable - Metallic	2424.2	0	0	20
Intrabuilding Cable - Nonmetallic	2426.1	0	0	21
Intrabuilding Cable - Metallic	2426.2	0	0	22

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)
(cont.)

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1	970	(6,645)	9,182	1 A
2123.2	1,871	(4,905)	23,037	2 A
2212.1	166,239	0	154,990	3
2212.2	964,344	0	2,692,803	4
2212.3	542,657	0	2,036,615	5
2215.1	0	0	0	6
2215.2	0	0	0	7
2231.1	0	0	0	8
2231.2	0	0	0	9
2232.1	1,501	0	3,808,675	10
2232.2	0	0	0	11
2232.3	0	0	2,137,146	12
2421.1	0	0	32,287	13
2421.2	18,394	0	374,955	14
2422.1	0	(192,422)	24,441	15 A
2422.2	0	0	25,806	16
2423.1	0	0	2,579,249	17
2423.2	134,032	0	13,824,699	18
2424.1	0	0	0	19
2424.2	0	0	0	20
2426.1	0	0	0	21
2426.2	0	0	0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
GENERAL SUPPORT ASSETS						
Motor Vehicles	2112	203,172	15.0	50,064	0	1
Aircraft	2113	0		2,165		2I
Special Purpose Vehicles	2114	0				3
Garage Work Equipment	2115	0				4
Other Work Equipment	2116	322,134	10.0	36,640		5D
Buildings	2121	214,910	3.3	12,696		6
Furniture	2122	10,763	10.0	1,190		7D
Office Equipment	2123	44,727	19.68	871	0	8D
General Purpose Computers	2124	561,585	20.0	217,651		9
Total-- GENERAL SUPPORT ASSETS		1,357,291		321,277	0	
CENTRAL OFFICE ASSETS						
Analog Electronic Switching	2211	0				10
Digital Electronic Switching	2212	3,132,075	9.08	327,169		11
Electro-Mechanical Switching	2215	0				12
Operator Systems	2220	0				13
Radio Systems	2231	0				14
Circuit Equipment	2232	1,849,111	9.71	457,127		15D
Total-- CENTRAL OFFICE ASSETS		4,981,186		784,296	0	
INFORMATION ORIG/TERM ASSETS						
Station Apparatus	2311	0				16
Customer Premises Wiring	2321	0				17
Large Private Branch Exchanges	2341	0				18
Public Telephone Terminal Equipment	2351	81,342	13.6	0		19D
Other Terminal Equipment	2362	0				20
Total-- INFORMATION ORIG/TERM ASSETS		81,342		0	0	
CABLE WIRE FACILITIES ASSETS						
Poles	2411	70,500	10.0			21K
Aerial Cable	2421	427,384	5.98	9,696		22K
Underground Cable	2422	12,427	4.4	8,670		23D
Buried Cable	2423	6,745,191	4.99	770,883		24D
Submarine Cable	2424	0				25
Deep Sea Cable	2425	0				26
Intrabuilding Network Cable	2426	0				27
Aerial Wire	2431	98,823	4.6	18,842		28K

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	3,166	3.03	1,169	29
Total-- CABLE WIRE FACILITIES ASSETS		7,357,491		809,260	0
Total Accumulated Depreciation	3100	13,777,310		1,914,833	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
Net Regulated Total Accum Depreciation - 3100 Columns e, f and I					

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	44,623	0	7,480	0	216,093	1
2113	0			34,250	36,415	2 I
2114	0				0	3
2115	0				0	4
2116	60,498			1,522	299,798	5 D
2121	0				227,606	6
2122	0			(3,572)	8,381	7 D
2123	2,841	0	0	(11,047)	31,710	8 D
2124	0				779,236	9
	107,962	0	7,480	21,153	1,599,239	
2211	0				0	10
2212	1,673,240	0	16,000	0	1,802,004	11
2215	0				0	12
2220	0				0	13
2231	0				0	14
2232	1,501	0		5,373	2,310,110	15 D
	1,674,741	0	16,000	5,373	4,112,114	
2311	0				0	16
2321	0				0	17
2341	0				0	18
2351	85,624		18,840	(14,559)	(1)	19 D
2362	0				0	20
	85,624	0	18,840	(14,559)	(1)	
2411	0	353			70,147	21 K
2421	18,394	4,682			414,004	22 K
2422	0			(4,494)	16,603	23 D
2423	134,032	4,173	6,937	(129)	7,384,677	24 D
2424	0				0	25
2425	0				0	26
2426	0				0	27
2431	0	3,480			114,185	28 K

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441	0				4,335	29
	152,426	12,688	6,937	(4,623)	8,003,951	
3100	2,020,753	12,688	49,257	7,344	13,715,303	
3100						30
3100						

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
Office Support Equipment	2123.1	15,957	19.0	(1)		1 D
Company Communications Equipment	2123.2	28,770	20.0	872	0	2 D
Software	2212.1	166,239	33.33	10,996		3
Digital Switching - Central Office	2212.2	2,105,096	8.29	223,680		4
Digital Switching - Remote	2212.3	860,740	7.85	92,493		5
Step by Step Switching	2215.1	0				6
Crossbar Switching	2215.2	0				7
Satellite and Earth Station Facilities	2231.1	0				8
Other Radio Facilities	2231.2	0				9
Digital Circuit Equipment	2232.1	1,432,296	9.7700	312,418		10 D
Analog Circuit Equipment	2232.2	0	.0			11
Light Wave Circuit Equipment	2232.3	416,815	9.5	144,709		12 D
Aerial Cable - Nonmetallic	2421.1	4,644	4.8	1,548		13
Aerial Cable - Metallic	2421.2	422,740	6.0	8,148		14 K
Underground Cable - Nonmetallic	2422.1	11,601	4.4	8,130		15 D
Underground Cable - Metallic	2422.2	826	4.4	540		16
Buried Cable - Nonmetallic	2423.1	467,391	4.8	116,018		17
Buried Cable - Metallic	2423.2	6,277,800	5.0	654,865		18 D
Submarine Cable - Nonmetallic	2424.1	0				19
Submarine Cable - Metallic	2424.2	0				20
Intrabuilding Cable - Nonmetallic	2426.1	0				21
Intrabuilding Cable - Metallic	2426.2	0				22

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1	970	0	0	(6,313)	8,673	1 D
2123.2	1,871	0	0	(4,734)	23,037	2 D
2212.1	166,239	0	0	0	10,996	3
2212.2	964,344	0	16,000		1,380,432	4
2212.3	542,657				410,576	5
2215.1	0				0	6
2215.2	0				0	7
2231.1	0				0	8
2231.2	0				0	9
2232.1	1,501	0		879	1,744,092	10 D
2232.2	0				0	11
2232.3	0			4,494	566,018	12 D
2421.1	0				6,192	13
2421.2	18,394	4,682			407,812	14 K
2422.1	0			(4,494)	15,237	15 D
2422.2	0				1,366	16
2423.1	0				583,409	17
2423.2	134,032	4,173	6,937	(129)	6,801,268	18 D
2424.1	0				0	19
2424.2	0				0	20
2426.1	0				0	21
2426.2	0				0	22

NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)

This schedule should be used to report the deferred operating income tax portion of the stated accounts. In addition, column (e) of this schedule should be used to report the flowback of property related excess deferred taxes (e.g., 46 percent versus 34 percent federal tax rates). Credit amounts should be shown in ().

Particulars (a)	Balance FOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)	0	1
Other Noncurrent Assets (1410)	0	2
Deferred Tax Regulatory Asset (1437)	621	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(964,584)	5
Net Deferred Tax Liability Adjustments (4341)	40,587	6
Deferred Tax Regulatory Liability (4361)	(41,208)	7
Net Property Related Deferred Operating Income Taxes	(964,584)	
Less: Allocation to Nonregulated Activity	0	8
Net Regulated Total Property Related Deferred Operating Income Taxes	(964,584)	
NONPROPERTY RELATED		
Other Current Assets (1350)	1,372	9
Other Noncurrent Assets (1410)	0	10
Deferred Tax Regulatory Asset (1437)	0	11
Net Current Deferred Operating Income Taxes (4100)	0	12
Net Noncurrent Deferred Operating Income Taxes (4340)	0	13
Net Deferred Tax Liability Adjustments (4341)	0	14
Deferred Tax Regulatory Liability (4361)	0	15
Total Nonproperty Related Deferred Operating Income Taxes	1,372	

NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361) (cont.)

Acct (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance EOY (g)	
7250				0	1
7250				0	2
	(104)			517	3
7250	0			0	4
7250	(135,888)			(1,100,472)	5
	(6,787)			33,800	6
	6,891			(34,317)	7
	(135,888)	0	0	(1,100,472)	
				0	8
	(135,888)	0	0	(1,100,472)	
7250				1,372	9
7250				0	10
				0	11
7250				0	12
7250				0	13
				0	14
				0	15
	0	0	0	1,372	

NOTES PAYABLE (ACCT. 4020)

For affiliate, list note by affiliate. For a particular affiliate, the identical affiliate name, as shown in the Affiliate Abbreviations schedule, should be reported in this schedule. For other, list by note by entity.

Name (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Balance EOY (e)	
Affiliated:					
Telecommunications Technologies Fund	12/31/1998	12/31/1999	8.2500	1,450,000	1
Total Affiliated				<u>1,450,000</u>	
Total Notes Payable				<u><u>1,450,000</u></u>	

LONG-TERM DEBT

Report data requested and show total for each long-term debt account at end of year. Information concerning the following debt issues may be reported on individual lines in aggregate: REA/RTB 2%, REA/RTB 5%, & REA/RTB 7%. In addition, REA/RTB and FFB debt, respectively, within a range of 200 basis points may also be reported in aggregate on individual lines. If reported in aggregate, a range of dates may be reported in columns (b) and (c) as well as a range of interest rates in column (d) and a composite interest rate in column (e). If aggregation is not utilized, column (e) should contain the same interest rate as reported in column (d). For account 4050 report only the amount of debt anticipated to be repaid in one year or less.

Description of Debt (a)	Specific or Range of Stated Dates of Issue (b)	Specific or Range of Stated Dates of Maturity (c)	Specific or Range of Interest Rates (d)	
Funded Debt (Account 4210):				
REA/RTB	09/17/1963-01/16/1970	09/17/1998-01/16/2005	2.0000-2.0000	1
REA/RTB	03/14/1972-05/14/1975	03/14/2007-05/14/2007	6.5000-7.5000	2
Total Funded Debt				

LONG-TERM DEBT (cont.)

Composite Interest Rate (e)	Held by Utility		Total Principal EOY (h)	Current Maturities Included in Acct. 4050 (i)	Total Amount Outstanding (j)	
	Reacquired Debt Acct. 4240 (f)	Sinking Funds Acct. 1408 (g)				
			9,664	2,946	12,610	1
			2,458,364	164,851	2,623,215	2
	0	0	2,468,028	167,797	2,635,825	

CAPITAL STOCK ACCOUNTS AT END OF YEAR

In column (a) indicate the stated dividend rate applicable to each series of preferred stock.

Class and Series (a)	Shares Authorized by Charter (b)	Par Value per Share (c)	Call Price End of Year (d)	
COMMON STOCK:				
	5,000	100.00	.00	1
TOTAL COMMON STOCK	5,000			
TOTAL	<u>5,000</u>			

CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)

	Acct. 4510 - Capital Stock		Acct. 4530 - Treasury Stock		
	Shares	Amount	Shares	Amount	
	(e)	(f)	(g)	(h)	
COMMON STOCK:					
	4,813	481,300			1
	4,813	481,300	0	0	
TOTAL	<u>4,813</u>	<u>481,300</u>	<u>0</u>	<u>0</u>	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	9,569,290	8,642,430	1
Changes:			
Balance Transferred from Income	1,330,830	1,251,861	2
Dividends Declared:			
Common		325,000	3
Preferred	0	0	4
Total Dividends Declared	0	325,000	
Miscellaneous Debits to Retained Earnings	0	0	5
Miscellaneous Credits to Retained Earnings	0	0	6
Balance--End of Year	<u>10,900,120</u>	<u>9,569,291</u>	

DISTRIBUTION OF TAXES

1. Report hereunder the summary accounts and functions charged with taxes accrued during the year.
2. Where allocation is necessary, explain the basis used.
3. Report in a footnote the amounts and kind of taxes cleared from prepaid taxes, if any.

Summary Account/ Function Charged (a)	Wisconsin License Fee (b)	Wisconsin Income Tax (c)	Federal Income Tax (d)	
Operating Taxes (Accts. 7210 - 7250)	481,689	176,088	677,302	1
Nonoperating Taxes (Accts. 7410 - 7450)		3,327	13,614	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		4,814	19,567	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
TOTAL	<u>481,689</u>	<u>184,229</u>	<u>710,483</u>	

DISTRIBUTION OF TAXES (cont.)

PSC Remainder Assessment (e)	Local Property Tax (f)	State & Local Taxes Other than Wisconsin (g)	Other Taxes (h)	Payroll Taxes (i)	Total (j)	
13,792	0	0	0		1,348,871	1
					16,941	2
					0	3
					24,381	4
					0	5
					0	6
					0	7
					0	8
					0	9
13,792	0	0	0	0	1,390,193	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*			1
Basic Area Revenue (5001)	3,010,026	2,830,737	2
Optional Extended Area Revenue (5002)	34	0	3
Cellular Mobile Revenue (5003)	0	0	4
Other Mobile Services Revenue (5004)	0	0	5
Public Telephone Revenue (5010)	0	2,440	6
Local Private Line Revenue (5040)	8,189	8,165	7
Customer Premises Revenue (5050)	414	547	8
Other Local Exchange Revenue (5060)	966,266	953,494	9
Other Local Exchange Revenue Settlements (5069)	0	0	10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	3,984,929	3,795,383	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	482,693	455,348	11
Switched Access Revenue (5082)*	1,426,266	1,212,086	12
Special Access Revenue (5083)*	284,150	221,773	13 F
TOTAL INTERSTATE ACCESS REVENUES (5080)	2,193,109	1,889,207	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	0	0	14
Switched Access Revenue (5084.2)*	1,401,730	1,339,128	15
Special Access Revenue (5084.3)*	212,641	196,612	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	1,614,371	1,535,740	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	0	0	17
Long Distance Inward-Only Revenue (5111)	0	0	18
Long Distance Outward-Only Revenue (5112)	0	0	19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)	0	0	20
Voice Grade Revenue (5122)	0	0	21
Audio Program Grade Revenue (5123)	0	0	22
Video Program Grade Revenue (5124)	0	0	23
Digital Transmission Revenue (5125)	0	0	24
Switching Revenue (5126)	0	0	25
Other Revenue (5128)	0	0	26
Other Revenue Settlements (5129)	0	0	27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)	0	0	28
Other Long Distance Revenue Settlements (5169)	0	0	29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	0	0	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	166,242	157,000	30
Rent Revenue (5240)*	110,604	102,381	31
Corporate Operations Revenue (5250)*	0	0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*			33
Special Billing Arrangements Revenue (5261)	412	2,204	34
Customer Operations Revenue (5262)	0	0	35
Plant Operations Revenue (5263)	0	0	36
Other Incidental Regulated Revenue (5264)	28,303	28,563	37
Other Revenue Settlements (5269)	1,538	1,939	38
Total Miscellaneous Revenue (5260)	30,253	32,706	
Interstate Billing and Collection Revenue*	86,243	94,609	39
Intrastate Billing and Collection Revenue*	165,241	178,839	40
Total Carrier Billing and Collection Revenue (5270)*	251,484	273,448	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	558,583	565,535	
GROSS OPERATING REVENUES	8,350,992	7,785,865	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*			42
Uncollectible Revenue--Telecommunications (5301)	18,447	19,646	43
Uncollectible Revenue--Other (5302)	(5,615)	23	44 C
TOTAL UNCOLLECTIBLE REVENUE (5300)	12,832	19,669	
TOTAL OPERATING REVENUES	8,338,160	7,766,196	

** Account 5280 is to be used only by those companies subject to dual jurisdiction.

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
PLANT SPECIFIC OPERATIONS EXPENSE				
Total Network Support Expense (6110)	17,023	13,757		1
Less: Nonregulated	0	0		2
Net Regulated	17,023	13,757	0	3
Total General Support Expense (6120)	90,022	76,783		4
Less: Nonregulated	0	0		5
Net Regulated	90,022	76,783	0	6
Total Central Office Switching Expense (6210)	237,579	226,374		7
Less: Nonregulated	0	0		8
Net Regulated	237,579	226,374	0	9
Total Operator Systems Expense (6220)	0	0		10
Less: Nonregulated	0	0		11
Net Regulated	0	0	0	12
Total Central Office Transmission Expenses (6230)	56,516	70,804		13
Less: Nonregulated	0	0		14 B
Net Regulated	56,516	70,804	0	15
Total Information Orig. / Term. Expense (6310)	5,023	0		16
Less: Nonregulated	0	0		17 c
Net Regulated	5,023	0	0	18
Total Cable and Wire Fac. Expense (6410)	344,395	277,239		19
Less: Nonregulated	0	0		20
Net Regulated	344,395	277,239	0	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	750,558	664,957	0	
Less: Nonregulated	0	0	0	
Net Regulated	750,558	664,957	0	
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)	22,469	19,069	0	22
Less: Nonregulated	0	0		23
Net Regulated	22,469	19,069	0	24
Total Network Operations Expense (6530)	438,510	449,899		25
Less: Nonregulated	0	0		26
Net Regulated	438,510	449,899	0	27
Access Expense (6540)	0	58,676		28
Less: Nonregulated	0	0		29 H
Net Regulated	0	58,676	0	30
Total Depreciation and Amortization Expense (6560)	1,710,977	1,905,665		31
Less: Nonregulated	0	0		32
Net Regulated	1,710,977	1,905,665		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	2,171,956	2,433,309	0	
Less: Nonregulated	0	0	0	
Net Regulated	2,171,956	2,433,309	0	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110			13,757		1
			0		2
	0	0	13,757	0	3
6120			76,783		4
			0		5
	0	0	76,783	0	6
6210			226,374		7
			0		8
	0	0	226,374	0	9
6220			0		10
			0		11
	0	0	0	0	12
6230			70,804		13
			0		14 B
	0	0	70,804	0	15
6310			0		16
			0		17 c
	0	0	0	0	18
6410			277,239		19
					20
	0	0	277,239	0	21
	0	0	664,957	0	
	0	0	0	0	
	0	0	664,957	0	
6510	0	0	19,069	0	22
			0		23
	0		19,069	0	24
6530			449,899		25
			0		26
	0	0	449,899	0	27
6540			58,676		28
			0		29 H
	0	0	58,676	0	30
6560			1,905,665		31
					32
			1,905,665		33
	0	0	2,433,309	0	
	0	0	0	0	
	0	0	2,433,309	0	

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	310,268	352,642	34
Less: Nonregulated	0	0	35
Net Regulated	310,268	352,642	0 36
Total Services (6620)	815,019	841,166	37
Less: Nonregulated	0	0	38
Net Regulated	815,019	841,166	0 39
TOTAL CUSTOMER OPERATIONS EXPENSE	1,125,287	1,193,808	0
Less: Nonregulated	0	0	0
Net Regulated	1,125,287	1,193,808	0
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	150,334	195,704	40
Less: Nonregulated	0	0	41 E
Net Regulated	150,334	195,704	0 42
Total General and Administrative (6720)	872,881	999,390	43
Less: Nonregulated	0	0	44
Net Regulated	872,881	999,390	0 45
Provision for Uncollectible Notes Receiv. (6790)	0	0	46
Less: Nonregulated	0	0	47
Net Regulated	0	0	48
TOTAL CORPORATE OPERATIONS EXPENSE	1,023,215	1,195,094	0
Less: Nonregulated	0	0	0
Net Regulated	1,023,215	1,195,094	0
TOTAL EXPENSES	5,071,016	5,487,168	0
Less: Nonregulated	0	0	0
Net Regulated	5,071,016	5,487,168	0

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610			352,642		34
			0		35
	0	0	352,642	0	36
6620			841,166		37
			0		38
	0		841,166	0	39
	0	0	1,193,808	0	
	0	0	0	0	
	0	0	1,193,808	0	
6710			195,704		40
			0		41 E
	0		195,704	0	42
6720			999,390		43
			0		44
	0		999,390	0	45
6790			0		46
			0		47
			0		48
	0	0	1,195,094	0	
	0	0	0	0	
	0	0	1,195,094	0	
	0	0	5,487,168	0	
	0	0	0	0	
	0	0	5,487,168	0	

EXPENSE MATRIX - CLASS A & B (DETAIL)

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries/ Wages (d)	
Property Held for Future Tele. Use Exp. (6511)	0	0		1
Provisioning Expense (6512)	22,469	19,069		2
Total: Reported in Account 6510	22,469	19,069	0	
Depreciat. Exp.--Tele. Plant in Service (6561)	1,710,977	1,903,500		3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)	0	0		4
Amortization Expense--Tangible (6563)	0	0		5
Amortization Expense--Intangible (6564)	0	0		6
Amortization Expense--Other (6565)	0	2,165		7
Total: Reported in Account 6560	1,710,977	1,905,665		

EXPENSE MATRIX - CLASS A & B (DETAIL) (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511					1
6512			19,069		2
	0		19,069	0	
6561			1,903,500		3
6562					4
6563					5
6564					6
6565			2,165		7
			1,905,665		

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to Department of Justice and telephone relay assessments.

Description (a)	This Year (b)	
Gross Operating Revenues	8,350,992	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	16,723	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify):		8
Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes		<u>8,367,715</u>

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	3,984,929	1
Plus: Total Intrastate Access Revenues (5084)	1,614,371	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify):		5
Assessable Revenues for Universal Service Fund Assessment Purposes		<u>5,599,300</u>

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	8,350,992	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	16,723	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify):		8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes		<u>8,367,715</u>

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	3,984,929	1
Plus: Total Intrastate Access Revenues (5084)	1,614,371	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify):		5
Assessable Revenues for Universal Service Fund Assessment Purposes		<u>5,599,300</u>

OTHER INCOME ACCOUNTS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Income from Custom Work (7110)*	0	0	1
Return from Nonregulated Use of Regulated Facilities (7130)*	2,184	2,184	2
Gains and (Losses) from Foreign Exchange (7140)	0	0	3
Gains or (Losses) from the Disposition of Land and Artworks (7150)	0	0	4
Other Operating Gains and (Losses) (7160)*	14,539	0	5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	16,723	2,184	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	0	(17,341)	6
Operating Federal Income Taxes (7220)*	569,158	638,473	7
Operating State and Local Income Taxes (7230)*	148,344	161,915	8
Operating Other Taxes (7240)*	495,481	471,661	9
Provision for Deferred Operating Income Taxes--Net (7250)*	135,888	634	10
TOTAL OPERATING TAXES (7200)*	1,348,871	1,255,342	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	145	145	11
Interest Income (7320)*	21,669	33,540	12
Income from Sinking and Other Funds (7330)*	0	0	13
Allowance for Funds Used During Construction (7340)*	40,339	6,018	14
Gains or (Losses) from the Disposition of Certain Property (7350)*	0	0	15
Other Nonoperating Income (7360)*	0	(10,000)	16
Special Charges (7370)*	8,125	7,848	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	54,028	21,855	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*	0	0	18
Nonoperating Federal Income Taxes (7420)*	13,613	5,429	19
Nonoperating State and Local Income Taxes (7430)*	3,327	1,297	20
Nonoperating Other Taxes (7440)*	0	0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	0	0	22
TOTAL NONOPERATING TAXES (7400)*	16,940	6,726	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	198,348	209,392	23
Interest Expense--Capital Leases (7520)*	0	0	24
Amortization of Debt Issuance Expense (7530)*	97	97	25
Other Interest Deductions (7540)*	81,126	52,949	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	279,571	262,438	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*			27
Extraordinary Income Credits (7610)	0	0	28
Extraordinary Income Charges (7620)	0	0	29
Current Income Tax Effect of Extraordinary Items--Net (7630)	0	0	30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)	0	0	31
TOTAL EXTRAORDINARY ITEMS (7600)*	0	0	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)*	54,470	57,148	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	355,275	1
Less: Cost of Goods Sold	112,254	2
Net Sales	243,021	3
Expenses (Acct. 7990.2)	188,551	4
Nonregulated Net Income	<u>54,470</u>	5

List the type of nonregulated activities that company is involved in:

Nonregulated activities include the sale, leasing, installation and maintenance of 1 & 2 line phones, key systems, PBXs, data modems and Direct Broadcast Satellite (DBS). In addition, nonregulated activities include sales and leasing of mobile and pager equipment where the tariff allows.

If the revenues from an individual nonregulated activity represent in excess of 5% of the total operating revenues for the company, please provide the amounts, as requested above, for that individual activity:

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	0	1
Nonregulated Expense	54,077	2
Plant Accounts	332,737	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	639,947	5
Total Salaries and Wages	1,026,761	6 G

EMPLOYEE DATA

Compensation includes wages, commissions, bonuses and any other cash allowances paid to employees.

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers				1
Supervision and Other Management	2.00	2.00	118,246	2
Other Employees	23.00	23.00	803,169	3
Total	25.00	25.00	921,415	

EMPLOYEE DATA

Compensation includes wages, commissions, bonuses and any other cash allowances paid to employees.

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers				1
Supervision and Other Management	2.00	2.00	118,246	2
Other Employees	23.00	23.00	803,169	3
Total	25.00	25.00	921,415	

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange			1
Extended Area Service			2
Extended Community Calling			3
Other Local-Undefined	1,714	9,985	4
Total Local	1,714	9,985	
TOLL			
Operator Handled: State--intraLATA			5
Operator Handled: State--interLATA			6
Operator Handled: Interstate			7
Customer Dialed: State--intraLATA			8
Customer Dialed: State--interLATA			9
Customer Dialed: Interstate			10
WATS			11
Other Toll-Undefined		3,763	12
Total Toll	0	3,763	
Total Local & Toll	1,714	13,748	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.					1
Feature Group A -- Term.					2
Feature Group B -- Orig.					3
Feature Group B -- Term.					4
Feature Group C -- Orig.					5
Feature Group C -- Term.					6
Feature Group D -- Orig.	8,174	6,792	6,671	2	7
Feature Group D -- Term.	7,495	5,958	7,108	1	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	54	1
Sheath miles of plant - buried	1,447	2
Sheath miles of plant - fiber optics	156	3
Strand miles of plant - fiber optics	3,295	4
Route miles of plant - microwave		5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	16	31	1
56 kbps	18	3	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	21	3	4
45 Mbps (DS-3)	0	2	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	54	1
Sheath miles of plant - buried	1,447	2
Sheath miles of plant - fiber optics	156	3
Strand miles of plant - fiber optics	3,295	4
Route miles of plant - microwave		5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	16	31	1
56 kbps	18	3	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	21	3	4
45 Mbps (DS-3)	0	2	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

SERVICE DATA

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	1,045	982	3
2 Party	0	0	4
4 Party	0	0	5
PBX Trunks/System Trunks	0	122	6
Centrex Trunks	0	0	7
Centrex Lines	934	924	8
Key System Trunks	154	168	9
Mobile (Utility Provided Service)	0	0	10
Paging (Utility Provided Service)	0	0	11
FX-Out (Switched)	0	0	12
Pay Telephone	54	2	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	0	15
Pay Stations - Public	0	0	16
- Semi-Public	0	0	17
- Cust. Owned	0	0	18
Other	0	0	19
Total Business Lines	2,187	2,198	20
Residential (Incl. Emp. Concess.)			
1 Party	7,861	8,150	22
2 Party	0	0	23
4 Party	0	0	24
FX-Out (Switched)	3	2	25
Other	0	0	26
Total Residential Lines	7,864	8,152	27
Total Bus & Res Lines	10,051	10,350	28
Company Used Lines	289	316	29
Total Lines Used	10,340	10,666	30

SERVICE DATA (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	2	1	3
WATS Lines - 800 Service	2	1	4
FX-In-intraLATA	0	14	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	82	1,450	7
Special Access-interLATA			8
(expressed in equiv. access lines)	457	538	9
Feature Group A Lines	0	0	10
Feature Group B Trunks	0	0	11
Feature Group C Trunks	0	0	12
Feature Group D Trunks	496	184	13
TSPS - Trunks	34	239	14
EAS - Trunks	491	504	15
Cellular Trunks (Pub. Sw. Net.)	0	0	16
Video Distance Learning			17
- discounted (special tariff)	1	1	18
Customers			
Business - 2 Party Customers	0	0	19
Business - 4 Party Customers	0	0	20
Residential - 2 Party Customers	0	0	21
Residential - 4 Party Customers	0	0	22
Other			
Total Central Office, Info. Orig./Term., & Cable			23
Wire Fac. Assets (based on physical			24
location of plant)	24,923,456	27,893,209	25
Total Company Square Miles	1,054	1,054	26
Total Company Route Miles	1,236	1,253	27
Footnotes			28
			29
			30

SERVICE DATA - END OF YEAR

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0230	1295	2630	2960	1
Business					2
1 Party	168	46	113	77	3
2 Party	0	0	0	0	4
4 Party	0	0	0	0	5
PBX Trunks/System Trunks	9	0	0	0	6
Centrex Trunks	---CONF---	---CONF---	---CONF---	---CONF---	7
Centrex Lines	358	0	70	10	8
Key System Trunks	31	8	16	5	9
Mobile (utility provided service)	0	0	0	0	10
Paging (utility provided service)	0	0	0	0	11
FX-Out (Switched)	0	0	0	0	12
Pay Telephone	0	0	0	0	13
Coin-Operated Pay Telephone	0	0	0	0	14
Independent Pay Telephone Provider	0	0	0	0	15
Pay Stations - Public	0	0	0	0	16
- Semi-Public	0	0	0	0	17
- Cust. Owned	0	0	0	0	18
Other	0	0	0	0	19
Total Business Lines	566	54	199	92	20
Residential (Incl. Emp. Concess.)					21
1 Party	1,262	416	1,342	957	22
2 Party	0	0	0	0	23
4 Party	0	0	0	0	24
FX-Out (Switched)	1	0	0	0	25
Other	0	0	0	0	26
Total Residential Lines	1,263	416	1,342	957	27
Total Bus & Res Lines	1,829	470	1,541	1,049	28
Company Used Lines	53	0	68	13	29
Total Lines Used	1,882	470	1,609	1,062	30

SERVICE DATA - END OF YEAR

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	3395	3640	4220	5510	1
Business					2
1 Party	66	337	162	13	3
2 Party	0	0	0	0	4
4 Party	0	0	0	0	5
PBX Trunks/System Trunks	21	92	0	0	6
Centrex Trunks	---CONF---	---CONF---	---CONF---	---CONF---	7
Centrex Lines	0	210	143	133	8
Key System Trunks	22	43	14	29	9
Mobile (utility provided service)	0	0	0	0	10
Paging (utility provided service)	0	0	0	0	11
FX-Out (Switched)	0	0	0	0	12
Pay Telephone	2	0	0	0	13
Coin-Operated Pay Telephone	0	0	0	0	14
Independent Pay Telephone Provider	0	0	0	0	15
Pay Stations - Public	0	0	0	0	16
- Semi-Public	0	0	0	0	17
- Cust. Owned	0	0	0	0	18
Other	0	0	0	0	19
Total Business Lines	111	682	319	175	20
Residential (Incl. Emp. Concess.)					21
1 Party	108	2,046	1,353	666	22
2 Party	0	0	0	0	23
4 Party	0	0	0	0	24
FX-Out (Switched)	0	1	0	0	25
Other	0	0	0	0	26
Total Residential Lines	108	2,047	1,353	666	27
Total Bus & Res Lines	219	2,729	1,672	841	28
Company Used Lines	0	60	25	97	29
Total Lines Used	219	2,789	1,697	938	30

SERVICE DATA - END OF YEAR (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0230	1295	2630	2960	1
Miscellaneous					2
WATS Lines - OutWATS	0	0	0	0	3
WATS Lines - 800 Service	0	0	0	0	4
FX-In-intraLATA	0	0	10	1	5
Special Access-intraLATA					6
(equiv. access lines)	700	0	9	0	7
Special Access-interLATA					8
(equiv. access lines)	177	0	0	0	9
Feature Group A Lines	0	0	0	0	10
Feature Group B Trunks	0	0	0	0	11
Feature Group C Trunks	0	0	0	0	12
Feature Group D Trunks	0	0	64	0	13
TSPS - Trunks	0	0	228	0	14
EAS - Trunks	0	0	432	0	15
Cellular Trunks (Pub. Sw. Net.)	0	0	0	0	16
Video Distance Learning					17
- discounted (special tariff)	0	0	0	0	18
Customers					19
Business - 2 Party Customers	0	0	0	0	20
Business - 4 Party Customers	0	0	0	0	21
Residential - 2 Party Customers	0	0	0	0	22
Residential - 4 Party Customers	0	0	0	0	23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	4,989,022	832,174	5,617,043	2,350,561	27
Exchange Square Miles	109	57	125	75	28
Exchange Route Miles	187	68	215	146	29
Footnotes					30

SERVICE DATA - END OF YEAR (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	3395	3640	4220	5510	1
Miscellaneous					2
WATS Lines - OutWATS	0	0	1	0	3
WATS Lines - 800 Service	0	0	1	0	4
FX-In-intraLATA	0	0	2	1	5
Special Access-intraLATA					6
(equiv. access lines)	1	707	28	5	7
Special Access-interLATA					8
(equiv. access lines)	77	250	26	8	9
Feature Group A Lines	0	0	0	0	10
Feature Group B Trunks	0	0	0	0	11
Feature Group C Trunks	0	0	0	0	12
Feature Group D Trunks	0	120	0	0	13
TSPS - Trunks	0	11	0	0	14
EAS - Trunks	0	72	0	0	15
Cellular Trunks (Pub. Sw. Net.)	0	0	0	0	16
Video Distance Learning					17
- discounted (special tariff)	0	1	0	0	18
Customers					19
Business - 2 Party Customers	0	0	0	0	20
Business - 4 Party Customers	0	0	0	0	21
Residential - 2 Party Customers	0	0	0	0	22
Residential - 4 Party Customers	0	0	0	0	23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	340,945	6,216,359	4,461,419	3,085,686	27
Exchange Square Miles	6	207	421	54	28
Exchange Route Miles	22	263	242	110	29
Footnotes					30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Lucent	ATT/LUC	5
Nippon Electric	NEC	6
Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

MANUFACTURER ABBREVIATIONS

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Siemens	SI	8
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EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	AUBURNDALE	CRANMOOR	JUNCTION CITY	LINDSEY	1
PSCW Exchange ID	0230	1295	2630	2960	2
Central Office Name	AUBURNDALE	CRANMOOR	JUNCTION CITY	LINDSEY	3
PSCW Central Office ID	1	1	1	1	4
Manufacturer of COE (Page 54)	NEC	SW	ATT	NEC	5
Year COE Installed	1989	0	1996	1990	6
Type of Equipment (Page 54)	D	SW	D	D	7
(S)tandalone, (H)ost, (R)emote	H	S	H	R	8
Remote Host PSCW Exchange ID				0230	9
Remote Host PSCW Central Office ID	0			1	10
COE Generic Software Release No.	G3.2	Switcher	11.	RMT	11
SS7?	No	Yes	Yes	No	12
9-1-1?	Yes	Yes	Yes	Yes	13
Access Lines - In Use	1,788	457	1,545	1,013	14
- Equipped	2,064	457	1,788	1,092	15
- Wired	2,064	457	2,408	1,152	16
Trunks - In Use	669	0	155	0	17
- Equipped	696	0	624	0	18
- Wired	696	0	624	0	19
ISDN Available?	No	No	Yes	No	20
ISDN Lines - In Use (BRI)	0	0	1	0	21
- In Use (PRI)	0	0	0	0	22
Switched 56 Service?	No	No	Yes	No	23
Switched 56 lines in use	0	0	0	0	24
Digital Transmission Facilities: DS-1 - In Use	62	0	47	10	25
DS-3 - In Use	7	0	0	0	26
Advanced Data Service Available:					
Packet Switching?	No	No	No	No	27
SMDS?	No	No	No	No	28
Frame Relay?	No	No	No	No	29
ATM (Asynchronous Trans. Mode)?	No	No	No	No	30
Video Information - Service Available?	No	No	No	No	31
- In Use (# lines) ¹	0	0	0	0	32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	120	0	96	52	33
No. of fiber strands working (LIT) in C.O.	36	0	4	22	34
No. of fiber strands for interoffice use	52	0	40	20	35
Miles of fiber sheath in wire center	34	0	27	19	36
Access Tandem Serving this C.O.:					
- C.O. Name	STEVENS POINT	WISCONSIN RAPIDS	STEVENS POINT	STEVENS POINT	37
- PSCW C.O. ID	5140-01	5970-01	5140-01	5140-01	38
Does this C.O. do access tandem switching?	No	No	No	No	39
Equal Access: InterLATA (1+)?	Yes	Yes	Yes	Yes	40
Equal Access: IntraLATA (1+)?	No	No	No	No	41
Footnotes					42

¹ Teleco provided end-to-end facility.

CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	MILL CREEK	NECEDAH	PITTSVILLE	VESPER	1
PSCW Exchange ID	3395	3640	4220	5510	2
Central Office Name	MILL CREEK	NECEDAH	PITTSVILLE	VESPER	3
PSCW Central Office ID	1	1	1	1	4
Manufacturer of COE (Page 54)	SW	NEC	NEC	NEC	5
Year COE Installed	0	1990	1989	1989	6
Type of Equipment (Page 54)	SW	D	D	D	7
(S)tandalone, (H)ost, (R)emote	S	H	R	R	8
Remote Host PSCW Exchange ID			0230	0230	9
Remote Host PSCW Central Office ID			1	1	10
COE Generic Software Release No.	Switcher	G3.2	RMT	RMT	11
SS7?	Yes	No	No	No	12
9-1-1?	Yes	Yes	Yes	Yes	13
Access Lines - In Use	207	2,793	1,628	909	14
- Equipped	207	2,872	1,920	1,048	15
- Wired	207	2,968	1,920	1,056	16
Trunks - In Use	0	173	0	0	17
- Equipped	0	216	0	0	18
- Wired	0	240	0	0	19
ISDN Available?	No	No	No	No	20
ISDN Lines - In Use (BRI)	0	0	0	0	21
- In Use (PRI)	0	0	0	0	22
Switched 56 Service?	No	No	No	No	23
Switched 56 lines in use	0	0	0	0	24
Digital Transmission Facilities: DS-1 - In Use	0	19	12	14	25
DS-3 - In Use	0	2	0	0	26
Advanced Data Service Available:					
Packet Switching?	No	No	No	No	27
SMDS?	No	No	No	No	28
Frame Relay?	No	No	No	No	29
ATM (Asynchronous Trans. Mode)?	No	No	No	No	30
Video Information - Service Available?	No	No	No	No	31
- In Use (# lines) ¹	0	0	0	0	32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	0	88	64	36	33
No. of fiber strands working (LIT) in C.O.	0	28	8	20	34
No. of fiber strands for interoffice use	0	20	16	28	35
Miles of fiber sheath in wire center	0	28	29	19	36
Access Tandem Serving this C.O.:					
- C.O. Name	WAUSAU	MADISON	STEVENS POINT	STEVENS POINT	37
- PSCW C.O. ID	5700-01	3080-01	5140-01	5140-01	38
Does this C.O. do access tandem switching?	No	No	No	No	39
Equal Access: InterLATA (1+)?	Yes	Yes	Yes	Yes	40
Equal Access: IntraLATA (1+)?	No	No	No	No	41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

October 19, 1999

Mr. John R. Erpenbach, Accounting Manager
Central State Telephone Company
301 South Westfield Road
P.O. Box 5158
Madison, WI 53705-0158

Re: 1998 Analytical Review DWCCA-1020-PJL

Dear Mr. Erpenbach:

The Public Service Commission (PSC) is in the process of completing an analytical review of your utility's 1998 annual report. The purposes of an analytical review are to detect possible reporting or accounting related errors and to identify significant fluctuations from established trends in reported data not sufficiently explained in the annual report. It is our hope that our review will supply information that will enable us to better provide guidance to your utility regarding proper utility accounting and the preparation of future annual reports. In order to complete this review, we request the following information:

1. On copy 1 of page 23 of the Telecommunications Plant In Service schedule, we noted that there was not a footnote included explaining the transfer or adjustment in column (g) of (192,422) on line 24 for Account 2422, Underground Cable. Please provide an explanation of this item and follow this procedure in the future.
2. Please file a revised page 15 to reflect corrections to the 1998 annual report as discussed with Chris Larson of our staff during the recent annual review of the earnings of small telecommunications utilities.

We appreciate your cooperation in providing the above information. These recommendations are intended to provide accounting assistance and should not be construed as criticisms of utility personnel. If you have any questions, please feel free to contact me at (608) 267-9198. Please respond within 30 days of this letter. If we have no questions regarding your response, you can consider the review closed.

Please note that if your response to this letter contains any data that you want to be subject to confidential treatment, you must submit a confidentiality request form with your response.

Sincerely,

Peter J. Leege
Financial Specialist
Division of Water, Compliance, and Consumer Affairs

PJL:tlk:w:\compl\telco letters\1020 rev letter

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

Response received 11/22/99

#1, Please refer to footnote D, amounts listed are reclasses between accounts or transfers with affiliates.

#2, revised page 15 provided, line 14 of column D of copy 2 of page 15 was changed.

Review closed.

PJL

Schedule Footnotes

Table of Contents Footnote. Page 4

Identification and Ownership Footnote. Page 7

Affiliated Interest Transactions Footnote. Page 15

Pursuant to agreement with PSCW staff, revenue, expense and other detail amounts are not required for the 1998 annual report. The total amount for each column is included on the All Other line in order to facilitate the summation function in the program.

Expense Matrix - Class A & B Footnote. Page 41

Pursuant to agreement with PSCW staff, expense matrix subsidiary record category detail is not required for the 1998 annual report. The total amount for each item is included in the Other column in order to facilitate the summation function in the program.

Telephone Calls and Minutes of Use Per Month Footnote. Page 47

Pursuant to agreement with PSCW staff, toll telephone calls and minutes of use per month detail is not required for the 1998 annual report. The total toll amount for each item is included on the Other Toll - Undefined line in order to facilitate the summation function in the program.

Schedule Line Footnotes

- A) Amounts listed on pages 23 and 25, in column (g) and pages 27 and 29, column (k) are reclasses between accounts or transfers with affiliates.
- B) Central Office Transmission Expense is higher in 1998 due to equipment upgrades.
- C) Pursuant to agreement with PSCW staff, not material.
- D) Amounts listed on pages 23 and 25, in column (g) and pages 27 and 29, column (k) are reclasses between accounts or transfers with affiliates.
- E) Executive and Planning (6710) expenses increased in 1998 due to higher charges from affiliates for management services.
- F) Increase in number of special access circuits.
- G) The regulated expense amount for salaries of \$515,252 is included on line 5.
- H) Expenses in 1998 include payments to USAC for the schools and libraries fund and also the TEACH program in Wisconsin.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- I) The amounts shown in account 2113 - Aircraft actually consist of general support assets under \$2,000 and are a result of the FCC docket No. 95-60 for accounting and reporting general support assets under \$2,000.
- J) Balance consists primarily of leased phones and business systems net of depreciation. This leased investment is depreciated with a rate of 33.33% per year. Individual leases are not tracked separately.
- K) Accumulated depreciation is greater than the asset balance because per the WI PSC, we are allowed to depreciate more than 100% of this account group.
- L) Contact John Erpenbach at (608) 664-4289 with questions on page 47, page 48, page 49 Special Access Circuits only, page 50, page 51 lines 1-9, page 52 and page 53 lines 1-9. Contact Dave Esser at (608) 664-4530 with questions on page 49 Outside Plant only, page 51 lines 10-30, page 53 lines 10-30 and page 55.